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### State Labor Market Shows Signs of Recovery in June

OLYMPIA - Washington's seasonally adjusted unemployment rate fell three-tenths of one percentage point to 6.8 percent in June, Employment Security Commissioner Sylvia P. Mundy announced today. The nation's seasonally adjusted unemployment rate rose one-tenth of one percentage point over the month to 5.9 percent. Washington's non-adjusted unemployment rate fell one-tenth of one percentage point to 6.8 percent.

"Washington's labor market revealed signs of an emerging recovery in June," said Mundy. "Given its tepid performance overall in the first half of this year, we are cautiously optimistic that this marks a turning point for the state's labor market."

Washington added 16,800 nonagricultural wage and salary jobs over the month in June for a non-adjusted increase of 0.6 percent. Services accounted for 3,700 of that gain, with business services, hotels and lodging, and amusement and recreation leading the way. The 1,700 increase in business services is especially noteworthy since the sector was contracting at this time last year. It is often viewed as a leading indicator as temporary help and other services contracted out by businesses.

Retail trade added 4,200 jobs, with all of its core sectors revealing seasonal gains. Construction also added 4,200 jobs, half in special trade contracting. Finance, insurance, and real estate added 400 jobs, as did transportation and public utilities. Manufacturing added 1,400 jobs, all in seasonal non-durable goods, namely food and kindred products (+1,200). On the durable goods side, gains in lumber and wood products (+500), fabricated metals (+200), instruments (+100), and stone, clay and glass (+100) were offset by the loss of 1,000 jobs in aircraft and parts. Government was up 1,100, with the federal sector up 1,100. A 2,600 loss in state government, mostly education-related seasonal losses, offset a 2,600 gain in local government.

Washington's nonfarm employment estimated in collaboration with the Office of the Forecast Council fell by 63,100 jobs, or 2.3 percent, from June 2001 to June 2002 after seasonal adjustment. Non-adjusted data show that manufacturing lost 29,100 jobs, with nearly four in five of those jobs lost in durable goods. Aircraft and parts, in particular, shed 10,800 jobs. Among nondurable goods, the 2,700 jobs lost in food processing was the largest. On the non-manufacturing side, losses outpaced gains.

Construction shed 25,500 jobs, wholesale and retail trade lost 12,400, and services lost 10,100. Business services, in particular, lost 12,500 jobs, including 5,800 in computer and data processing. Health care (+6,700) was the main source of new service sector jobs, though educational services (+1,800) and social services (+1,700) also contributed. Transportation, communications and utilities lost 10,000 jobs, but finance, insurance and real estate gained 3,800. Government added 11,800 jobs, with nearly two-thirds of the increase in local government and more than half in education.

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